

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

February 15, 1990



ALL-COUNTY LETTER NO. 90-17

FSD LETTER NO. 90-3

**TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL TITLE IV-D AGENCIES
ALL DISTRICT ATTORNEYS**

SUBJECT: DATE OF COLLECTION CLARIFICATION

**REFERENCE: FSD LETTER 88-13/ALL-COUNTY LETTER 88-125
FSDIN I-4-89/ACIN I-23-89**

This is to provide clarification to Counties on the current date of collection definition in order to properly distribute child support payments collected.

FSD Letter No. 88-13/ACL No. 88-125, dated September 22, 1988, provided Counties with the revised Federal date of collection definition pursuant to 45 CFR 302.51. As instructed, effective June 9, 1988, the date of collection is the date that payment is received by the Title IV-D Agency or the legal entity of any State or political subdivision actually making the collection, whichever is earliest. This means that for intracounty collections the date of collection is the date that your County received the money. If your County has contracted with another County agency to perform the collection function, the collection date is the date that the money is received by the contracted agency. For intercounty collections the receipt date is the date that the responding County first received the payment before forwarding to the initiating County. For interstate collections the receipt date is the date that the other State IV-D Agency initially collected the payment.

In addition, FSDIN I-4-89/ACIN I-23-89 (dated March 22, 1989), provided Counties with further clarification with respect to the date of collection for wages withheld by employers. As instructed, Counties should treat absent parent payments withheld by employers in one month and transmitted in a later month as a support payment collected for the month that the wages were withheld by the employer.

Two recent Federal action transmittals implementing the Family Support Act of 1988, P.L. 100-485, specified time frames for distributing child support collections (OCSE AT 89-15, dated August 4, 1989, and OCSE AT 89-17, dated September 13, 1989). These action transmittals have expanded the date of collection rule for payments made through the State's other income withholding systems (such as unemployment, pension, disability, etc.). The Federal regulations establish the date of collection, for distribution purposes, as the date that the collection is initially received (or taken) from the absent parent regardless of the agency or enforcement method used. This would include the State's Employment Development Department Insurance Compensation and State Disability Insurance, and State income offset systems such as Franchise Tax Board and the Lottery Commission.

Because of the significant impact to Counties' collection/distribution systems to retroactively post payments received from the State's withholding/offset systems, and the fact that Counties need sufficient lead time to modify existing automated collection/distribution systems, our Department is seeking temporary waiver from the Federal Office of Child Support Enforcement (OCSE) to allow us to continue with our current instructions concerning the date of collection until the new time standard requirements are effective, October 1, 1990.

In the interim, Counties are instructed to continue to follow instructions set forth in FSD Letters 88-13/ACL 88-125 and FSDIN I-4-89/ACIN I-23-89. The date of collection for payments received from the State's withholding/offset systems will continue to be collected on the day that the money is received in the County.

By October 1, 1990 Counties will, however, be required to modify existing systems to allow for processing collections on a retroactive basis, as required.

The effect of this policy clarification upon the Federal 1986 follow-up audit (CA 86 PR/PM) will be provided shortly in a separate letter.

It has been brought to our attention by OCSE that some IV-D agencies are forwarding child support collections to initiating States without indicating the date received. As required by 45 CFR 303.7(c)(7)(iv), and instructed in FSD Letter 88-13/ACL 88-125, dated September 22, 1988, responding Counties should provide sufficient information to identify the case, the Federal Information Processing Standards code, and the date of collection when forwarding each payment to the initiating jurisdiction.

If you have any questions, please contact the Child Support Operations Bureau at (916) 322-6384.



ROBERT A. HOREL
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